

BEFORE THE
UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Price Changes
Rates of General Applicability

Docket No. CP2017-230

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE TO
THE POSTAL SERVICE NOTICE OF CHANGES IN RATES
OF GENERAL APPLICABILITY FOR A COMPETITIVE PRODUCT
(August 7, 2017)

The Public Representative hereby provides comments pursuant to a Commission notice.¹ In that notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on the Postal Service's proposed changes in rates of general applicability for competitive products.² The Postal Service's notice includes a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. § 3633(a), a Governors' Decision establishing the proposed changes, and related Mail Classification Schedule (MCS) changes.

The Postal Service proposes prices for the new "Retail" category of the competitive FCPS product. In Order No. 4009, the Commission conditionally approved the transfer of the First-Class Mail Parcels Retail (Single-Piece) price category from the market dominant product list to the competitive product list.³ The Commission conditioned the transfer on the Commission's approval of the prices for the new "Retail" category of the competitive FCPS product.

The Postal Service asserts that, "once the First-Class Mail Parcels Retail (Single Piece) price category is added to the competitive FCPS product, the cost coverage for FCPS will remain well above 100 percent."

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, July 31, 2017.

² Notice of the United States Postal Service of Changes in Rates of General Applicability for a Competitive Product, Established in Governors' Decision No. 16-9, July 28, 2017. (Notice)

³ Order No. 4009, Order Conditionally Approving Transfer, Docket No. MC2015-7, July 20, 2017.

COMMENTS

The Public Representative has reviewed the Postal Service's notice, the Statement of Supporting Justification, as well as the financial data filed under seal with the Postal Service's notice. Based upon that review, the Public Representative concludes that the Commission should allow the transfer to proceed and approve the proposed rates for the "Retail" category of the competitive FCPS product.⁴

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

Based upon a review of the financial data, the "Retail" category of the competitive FCPS product should generate sufficient revenues that the FCPS product should continue to cover cost and therefore meet the requirements of 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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⁴ The Commission should also approve the conforming MCS changes.